



# Energy poverty and energy communities in EU legal framework

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# Situation of energy poverty in EU

- **6,9% of EU27 population** reported 'inability to keep home adequately warm' , with large geographical variations (based on SILC data from 2021)

Increase of this figure in the recent energy prices crisis situation:

- JRC study on 'impact of inflation on poverty' (December 2022) estimates that since September 2021, inflation has **increased energy poverty by 5 percentage points.**
- European Commission Energy prices and costs report (upcoming): Between 2019 and 2022, on average across EU Member States, the **energy expenditure share increased by more than one third on average, with the share having almost doubled in some countries**
- We see increasingly also middle income population groups struggling to pay their bills, facing risk of energy poverty

# Legal framework at EU level

## Electricity directive 2019/944 :

- Requires Member States to take appropriate measures to address energy poverty wherever it is identified, including in the broader context of poverty. In addition, Member States must also protect vulnerable customers (Art 28, 29)
- Allows for regulated prices for energy poor or vulnerable household customers (Art. 5)

## Governance Regulation (1999/999) :

- Where the number of households in energy poverty is **significant**, Member States must include in their **National Energy and Climate Plans** (2020-2030) an indicative objective to reduce energy poverty, provide a time frame, and outline relevant policies.

# Strengthened legal framework – ‘fit for 55’

- **Recast Energy Efficiency Directive (EED) – *political agreement March 2023***
  - proposal for a **definition** of energy poverty,
  - higher protection and empowerment of vulnerable customers:
    - MS to implement **energy efficiency improvements to mitigate distributional effects** of policies and measures through inter alia, carry out **forward looking investment** into ee improvements
  - Obligation on MS to **prioritise** energy efficiency measures among **vulnerable customers and energy poor**
- **Social Climate Fund - *political agreement in December 2022***
  - Addresses social impacts that arise from the proposed ETS system for road transport and buildings.
  - **Target group** are households, micro-enterprises and transport users, which are vulnerable and particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport, **especially households in energy poverty and citizens without public transport alternative to individual cars**

# Future legal framework - 'fit for 55'

- **Recast Energy Performance of Buildings (EBPD) (*legislative process ongoing*):**
  - Cross references to the EED, to prioritise renovation investments for energy poor and vulnerable households as a means to address energy poverty
- **Gas package (*legislative process ongoing*):**
  - Extends the protection of vulnerable customers to gas market and mirrors what exists in the electricity market.
- **Proposal for electricity market design (*forthcoming*)**

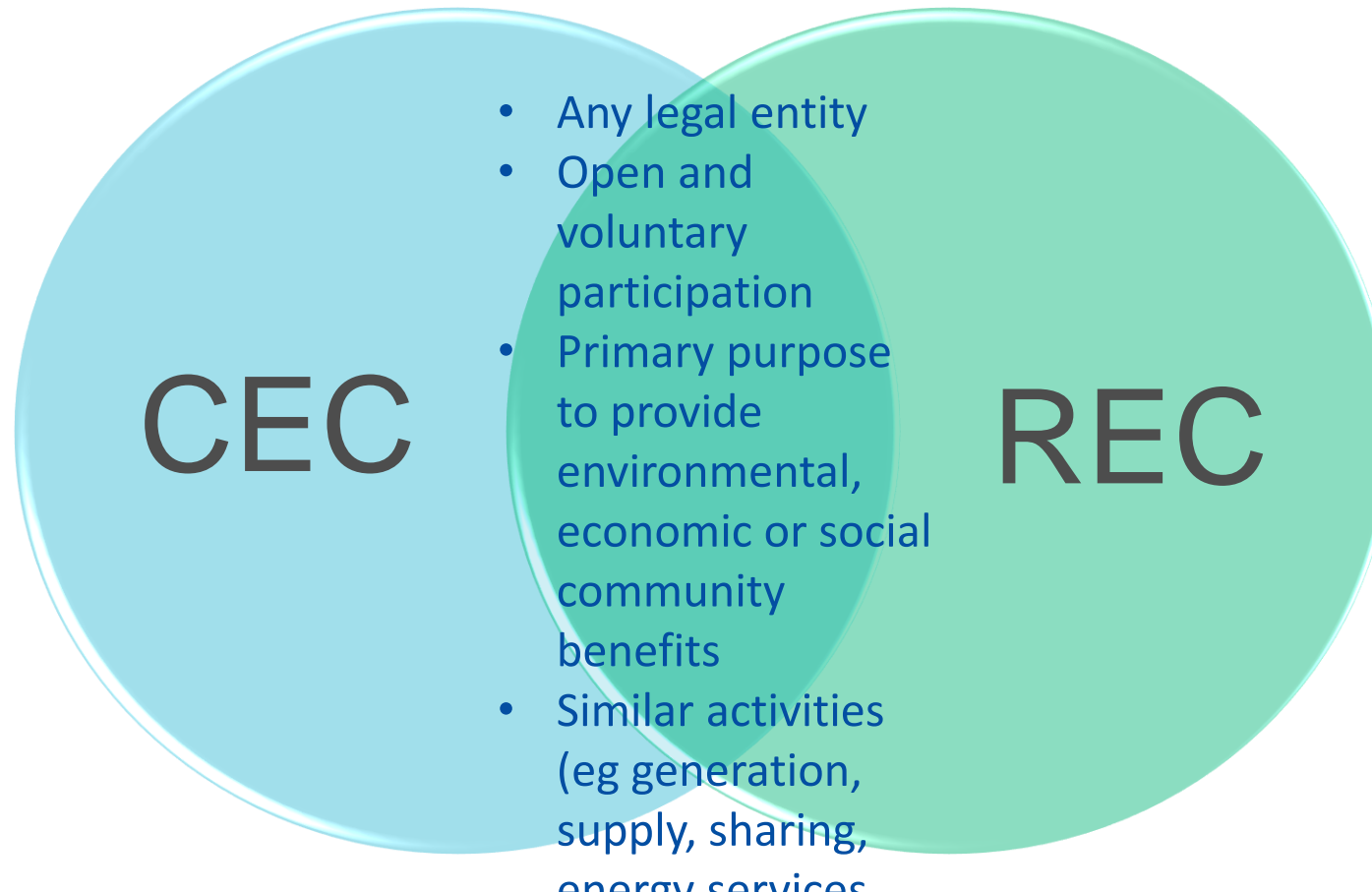
# Citizen and Renewable energy communities

## Citizen Energy Communities

Article 16 Electricity Market Directive 2019/944

## Renewable Energy Communities

Article 22 Renewable Energy Directive 2018/1999



# Renewable energy communities and energy poverty

## Communities can bring benefits of:

- Security of energy supply, less dependence on fossil fuels, reduction of carbon emissions, lower energy bills through selfconsumption and contribution to local economy.

## Communities can help tackle energy poverty through:

- Energy efficiency advice eg energy efficiency refurbishments at low cost ('Les 7 Vents', France)
- Innovative financing schemes to access renewables eg crowd funding ('Hyperion Solar Community', Greece), micro-donations to support local energy poverty actions ('Energie Solidaire', France), on-bill financing
- Cooperation with local authorities and other actors eg pre-financing of shares by local authorities (Eeklo – Ecopower, Belgium), Social housing companies making available rooftop to install solar PV (Coopernico, Portugal; Klimaan, België), training youth and unemployed to become energy advisors (ZEZ, Croatia)

# Advisory support

## Energy Poverty Advisory Hub (EPAH)

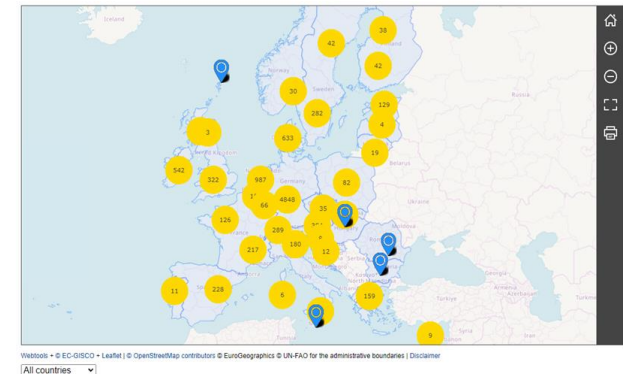
- **EPAH ATLAS** is an online interactive database that allows visitors to discover local and international projects as well as measures addressing energy poverty across the world. Also provides training and e-learning tools.
- Provides **technical assistance to municipalities** (under first phase 39 municipalities are selected), second phase launched in March 2023

## Energy Communities repository

- Europe-wide inventory with over 10,000 initiatives and 16,000 production units in 29 countries

## Rural Energy Communities Hub

- Provision of guidance and best practices, technical assistance





# Thank you

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